

# Q&A About Collectors

Some of the most frantic calls I get on *The Dave Ramsey Show* come from people being hounded by collection agencies. It's their job to make you angry or scared, and they do it well. They know if they can get you all worked up that you will act on that emotion and do something stupid, like pay them instead of buying groceries. **They have a plan and so should you.** Be calm, and don't let some kid in a cubical 500 miles away take control of your life.

Here are some of the top questions I get about dealing with collectors.

## **Do I have to talk to collectors?**

Only talk to them once every two weeks so that you can remind them that you will pay them as soon as you can. Then, let your answering machine take the rest of the calls. Remember that non-abusive communication will go a long way to coming to repayment terms.

## **The collector wants the balance of my debt but I don't have any money.**

Figure out how much you can pay on each of your debts after you have paid for the necessities: food, shelter, utilities, and clothing. Tell them you are going to send them payments and they will cash the checks. Send them what you can each pay period, and you'll be current in no time. They can sue you, but 99% of the time they won't as long as you are sending them money.

## **Collectors are calling me at work. How do I make them stop?**

Send a certified letter telling them to stop calling you at work, according to the Federal Fair Debt Collections Act. Be sure to send it certified because that way you have a receipt proving they got the letter. Otherwise, they will claim they were never notified. If they call again, remind them they are violating federal law and that if one more call is placed you will send a copy of your letter and a copy of the receipt to the Federal Trade Commission.

## **The collector said they will garnish my wages?**

Only the IRS and student loan companies can garnish your wages or seize your bank account without first suing you and winning. Unless you have been sued, this is a bluff. Collectors tell you they are going to garnish your wages as a scare tactic to get you to send them money. Remember to have a plan and stay calm.

## **Collectors are calling my parents and neighbors about my debt.**

This is illegal but not uncommon. Again, send a certified letter that you are aware they have violated the Federal Fair Debt Collection Practices Act by releasing private information. Should it continue, you will document the misbehavior for purposes of a lawsuit.

Dealing with collectors is not about getting out of paying debt. You created this debt so you will pay it, but not at the expense of basic necessities. The trick is to keep **setting your own priorities** and have a written plan. You have rights!